

ORDINANCE NO. G-1998 - 03

An Ordinance concerning the advance refunding by the Town of Georgetown, Indiana, of its Sewage Works Revenue Bonds of 1992, dated December 2, 1992, the issuance and sale of revenue bonds to pay the costs thereof, the collection, segregation and distribution of the revenues of the utility, the safeguarding of the interests of the owners of the revenue bonds, and other matters connected therewith, including repealing ordinances inconsistent herewith.

WHEREAS, the Town of Georgetown, Indiana (the "Issuer") has established and constructed a municipal sewage works utility (the "Utility") and now owns and operates the Utility pursuant to Indiana Code 36-9-23 and other applicable laws including Indiana Code 5-1, as in effect on the issue date of the obligations authorized herein (the "Act"); and

WHEREAS, the Town Council of the Issuer (the "Legislative Body") now finds that the outstanding bonds of the Utility should be refunded to effect a savings in debt service costs on these bonds of the Utility and replace certain existing covenants applicable to them; that the refunding of those outstanding bonds, together with accrued interest thereon and including all costs related to the refunding to be paid from bond proceeds, will require funds not to exceed \$3,000,000; that the cost of the refunding cannot be provided for out of funds of the Utility now on hand and the refunding should be accomplished by the use of certain funds on hand and the issuance of revenue bonds (the "Bonds"), payable solely out of the Net Revenues (as hereinafter defined) of the Utility; and

WHEREAS, the Legislative Body finds that there are now outstanding bonds issued to finance or refinance the acquisition, construction and improvement of the Utility and payable out of the revenues therefrom designated "Sewage Works Revenue Bonds of 1992," dated December 2, 1992 (the "Outstanding Bonds"), originally issued in the amount of \$2,330,000, now outstanding in the amount of \$2,235,000 pursuant to Ordinance No. G-1992-07 (the "Prior Ordinance"), and maturing annually over a period ending July 1, 2022, which Outstanding Bonds constitute a first charge upon the Net Revenues (as hereinafter defined) of the Utility; and

WHEREAS, the Legislative Body finds that all of the Outstanding Bonds should be refunded pursuant to the provisions of Indiana Code 5-1-5 to enable the Issuer to effect debt service savings for the benefit of the Utility and replace existing covenants applicable to the Utility; and

WHEREAS, the Legislative Body finds that it is advisable to issue its Bonds in a principal amount not to exceed \$2,725,000 and to use the proceeds, together with funds on hand to refund all of the Outstanding Bonds, and to pay for all costs related to the refunding and the issuance of the bonds hereunder; and

WHEREAS, the Legislative Body now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act hereinafter referred to; now, therefore,

BE IT ORDAINED BY THE LEGISLATIVE BODY OF THE ISSUER THAT:

Section 1. Purpose of Issuance. The Issuer, being the owner of and engaged in operating an unencumbered Utility supplying the Issuer, its inhabitants, and the residents adjacent thereto with sewage treatment services, now finds it necessary to provide funds for the advance refunding of the Outstanding Bonds. The refunding will allow the Issuer to effect debt service savings for the benefit of the Utility and replace existing covenants applicable to the Utility.

The term "Act" where used in this Ordinance shall be construed to mean Indiana Code 36-9-23 and other applicable laws including Indiana Code 5-1, as in effect on the issue date of the obligations authorized herein (the "Act"). The term "Utility" where used in this Ordinance shall be construed to mean and include all structures and property of the Issuer's municipal sewage works utility, including items defined in the Act.

Section 2. Bond Authorization. The Issuer shall issue its obligations in an aggregate principal amount not to exceed \$2,725,000 to be designated "Town of Georgetown, Indiana Sewage Works Refunding Revenue Bonds" [with the year and any series or other references added, revised or removed as appropriate] (the "Bonds") for the purpose of procuring funds to apply to the advance refunding of the Outstanding Bonds, the payment of costs of issuance, and all other costs related to the refunding. The Issuer shall apply moneys currently held for the payment of debt service on the Outstanding Bonds to the refunding as provided in Section 7 herein.

The Bonds shall be sold at a price not less than 98 percent of the face value thereof; shall be issued in fully registered form in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, numbered consecutively from R-1 up, and originally dated as of the first day of the month in which issued or sold (as determined by the Clerk-Treasurer with the advice of the Issuer's financial advisor) or as of the date of delivery if sold to the Indiana Bond Bank; and shall bear interest at a rate or rates not exceeding 5.75 percent per annum (provided separate maximum interest rates for an individual maturity or group of maturities may be selected by the Clerk-Treasurer with the advice of the Issuer's financial advisor for purposes of specifying any bidding requirements) (the exact rate or rates to be determined by bidding or through negotiations), with such interest payable on January 1 and July 1 in each year, beginning no later than either the next January 1 or July 1 following the issuance of the Bonds (with the specific date to be determined by the Clerk-Treasurer prior to the issuance of the Bonds). Interest shall be calculated based on a 360-day calendar year containing twelve 30-day months. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined), and such Bonds shall mature serially or be

subject to mandatory sinking fund payment (to be determined by bidding or through negotiations) in numerical order on July 1 (or if so determined by the Clerk-Treasurer with the advice of the financial advisor prior to the issuance of the Bonds, January 1 and July 1) of each year beginning no sooner than 1998 and ending no later than 2023 (as determined by the Clerk-Treasurer with the advice of the financial advisor prior to the issuance of the Bonds) and in such amounts as are approved as authorized herein.

Section 3. Execution, Payment and Transfer Terms. The Bonds shall be signed in the name of the Issuer by manual or facsimile signature of the President of the Issuer and attested by the manual or facsimile signature of the Clerk-Treasurer of the Issuer, who shall (if existing) affix the seal of the Issuer to each of the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or any other means. Such officers or officials, by the signing of the Bonds (whether by their manual or facsimile signature) and a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds and such acknowledgement shall constitute conclusive evidence that such officer or official approved the terms of the Bonds, after receiving the advice of the Issuer's counsel or financial advisor, as and to the extent required to fix the terms thereof in a manner consistent with the authorization provided under this Ordinance. In case any officer or official whose signature appears on the Bonds shall cease to be such officer or official before the delivery of such Bonds, his or her signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or official had remained in office until such delivery.

A qualified institution may be appointed by the President and the Clerk-Treasurer of the Issuer as registrar and paying agent (the "Registrar" or "Paying Agent") for the Bonds, and is hereby charged with the responsibility of authenticating and providing for the registration, exchange and transfer of the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer of the Issuer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sinking Fund (as hereinafter defined) to pay the principal of and interest on the Bonds and fiscal agency charges.

As to the Bonds, (a) if the Bonds are sold to the Indiana Bond Bank or (b) if purchased by any other purchaser which consents to such a designation, the Clerk-Treasurer of the Issuer is designated the Registrar and Paying Agent and is charged with the performance of all of the duties and responsibilities of the Registrar and Paying Agent.

All payments of interest on the Bonds shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owners thereof at their addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner as of the 15th day of the month next preceding any interest payment date (the

"Record Date"). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment shall be legal tender for the payment of public and private debts. Interest on Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date. Bonds authenticated on or subsequent to the first interest payment date shall be dated as of the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

If any Bond shall not be presented for payment or redemption on the date fixed therefor, the Issuer may deposit in trust with its depository bank an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the bank for payment and the Issuer shall have no further obligation or liability in respect thereto.

Each Bond shall be transferable or exchangeable only upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by such owner's attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered Bond, in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Issuer. The Issuer, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Section 4. Redemption of Bonds. The Bonds of this issue maturing on and after a date (which date shall be within twelve (12) years from the dated date of such Bonds [the "Initial Call Maturity"]) to be selected by the Clerk-Treasurer, with the advice of the Issuer's financial advisor, shall be redeemable at the option of the Issuer on the interest payment date either preceding or next preceding (as selected by the Clerk-Treasurer, with

the advice of the Issuer's financial advisor), the Initial Call Maturity, and on any date thereafter, on thirty (30) days' notice, in whole or in part, and by lot within a maturity, at face value together with a premium not to exceed 2 percent (expressed in percentage of face value) (as determined by the Clerk-Treasurer, with the advice of the Issuer's financial advisor), plus in each case accrued interest to the date fixed for redemption. Advertisement or negotiation of such dates and premiums shall constitute selection by the Clerk-Treasurer thereof in accordance with the foregoing terms. Such determination shall be made and fix separately for each series of Bonds issued.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Issuer, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date as stated above.

If less than all of the Bonds are called for redemption at one time, the Bonds shall be redeemed in inverse order of maturity and by lot within a maturity. Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Issuer not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the Bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Issuer. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named and when the obligations shall be presented for redemption.

~~interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the 15th day of the month next preceding an interest~~
payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before July 1, 1998, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 1998. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal sum of this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in _____, Indiana. All payments of interest on this bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the bond shall be made in coin or currency of the United States of America, which on the dates of such payment shall be legal tender for the payment of public and private debts.

THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA, AND THE ISSUER SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST THEREON EXCEPT FROM THE SPECIAL FUND PROVIDED FROM THE NET REVENUES DESCRIBED HEREIN.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed in its corporate name by the manual or facsimile signature of the President of the Issuer, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF GEORGETOWN, INDIANA

By: _____
President

Attest:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

_____, as Registrar

By: _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the Issuer, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of \$ _____, numbered from R-1 up, issued for the purpose of providing funds to be applied for the refunding of certain outstanding bonds of the Issuer's municipal sewage works utility, and to pay incident expenses, as authorized by an ordinance adopted by the governing body of the Issuer on the 5th day of February, 1998, entitled "An Ordinance concerning the advance refunding by the Town of Georgetown, Indiana of its Sewage Works Revenue Bonds of 1992, dated December 2, 1992, the issuance and sale of revenue bonds to pay the costs thereof,

the collection, segregation and distribution of the revenues of the utility, the safeguarding of the interests of the owners of the revenue bonds, and other matters connected therewith, including repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of Indiana Code 5-1, Indiana Code 36-9-23 and other applicable laws relating to the issuance of revenue bonds, as amended (collectively, the "Act").

Pursuant to the provisions of the Act and the Ordinance, the principal and interest on this bond and all other bonds of the issue and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (hereinafter defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the utility, including the utility financed or refinanced by the use of the proceeds of this bond and all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

The Issuer irrevocably pledges the entire Net Revenues of the utility to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the utility as are sufficient in each year for the payment of proper and reasonable expenses of operation, repair and maintenance of the utility and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. In the event the Issuer or the proper officers or officials thereof shall fail or refuse to so fix, maintain or collect such rates or charges, or if there be a default in payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the utility and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Issuer further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the utility to meet (a) the interest on all bonds payable from the revenues of the utility (including, without limitation, the bonds authorized by the Ordinance), as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of the utility (including, without limitation the bonds authorized by the Ordinance), as such principal shall fall due, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a charge upon all the Net Revenues of the utility, all as more particularly described in the Ordinance.

The bonds of this issue maturing on _____, or thereafter, are redeemable at the option of the Issuer on _____, or any date thereafter, on not

_____ % if redeemed on _____ or thereafter _____
before _____;

_____ % if redeemed on _____ or thereafter before
_____;

0% if redeemed on _____ or thereafter;

plus in each case accrued interest to the date fixed for redemption.

[As follows if sold subject to mandatory sinking fund redemption:]

If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

The Bonds maturing on _____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date

Amount

*Final Maturity]

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Issuer not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the bond or bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the Issuer. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named and when the bonds shall be presented for redemption.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the Issuer may deposit in trust with its depository bank an amount sufficient

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This bond is transferable or exchangeable only upon the books of the Issuer kept for that purpose at the office of the Registrar, or its successor, by the registered owner hereof in person, or by such owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Issuer, the Registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Issuer has designated this bond as a Qualified Tax-Exempt Obligation as defined in Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as in effect on the Original Date.

The following abbreviations, when used in the inscription of the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM.	as tenants in common
TEN ENT.	as tenants by the entireties
JT TEN.	as joint tenants with right of survivorship and not as tenants in common

UNIF TRANSFERS MIN ACT.	_____ Custodian _____
	(Cust) (Minor)

under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Please Print or Typewrite
Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the registration books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Registered Owner
(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular without alteration or enlargement or any change whatsoever.)

Section 7. Preparation and Sale of Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Bonds and BANs (if necessary) prepared, and the President and

Clerk-Treasurer of the Issuer are hereby authorized and directed to execute the Bonds and BANs (if necessary) in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds and BANs to the respective purchasers thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of the delivery the Clerk-Treasurer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 98 percent of the face value of the Bonds or BANs as the case may be, plus accrued interest, if any, from the date thereof to the date of delivery. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Issuer, payable out of the Net Revenues of the Issuer's Utility to be set aside into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the refunding of the BANs if such were issued, the refunding of any other interim borrowing, if any, related to the Project, application on the cost of the Project and the expenses necessarily incurred in connection therewith. In the event it shall be hereafter determined that it is not necessary to issue all of the Bonds authorized by this Ordinance, the Clerk-Treasurer shall be authorized to sell and deliver a lesser amount of Bonds than herein authorized. The proper officers or officials of the Issuer are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary, to carry out the provisions of this Ordinance.

The Clerk-Treasurer is hereby authorized and directed to negotiate the sale of and deliver the Bonds to an underwriter appointed by the Clerk Treasurer with the advice of the Issuer's financial adviser (the "Underwriter") in accordance with a Purchase Contract (the "Purchase Contract") between the Issuer and the Underwriter. The President and Clerk-Treasurer are hereby authorized to execute and deliver the Purchase Contract in a form and substance as determined by such officials, with terms consistent with this Ordinance, including a final principal amount, interest rates, maturity schedule, optional redemption terms, and term bond mandatory redemptions, if any. As an alternative to a negotiated sale, the President and Clerk-Treasurer are hereby authorized to cause the Bonds to be sold at public sale if determined by them to be in the best interests of the Issuer. The proper officers of the Issuer are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary, to carry out the provisions of this Ordinance.

The Clerk-Treasurer is hereby authorized to appoint a financial institution to serve as escrow trustee ("Escrow Trustee") for the Outstanding Bonds in accordance with the terms of the Escrow Agreement, between the Issuer and the Escrow Trustee ("Escrow Agreement"). The Escrow Agreement shall be in substantially the form attached hereto as Exhibit A and is hereby approved by the Legislative Body, and the President and the Clerk-Treasurer are hereby authorized and directed to complete (with such changes in form or substance as either may deem necessary or desirable), execute, attest and deliver the same on behalf of the Issuer so long as its provisions are consistent with this Ordinance and the Purchase Contract.

The President or Clerk-Treasurer are hereby authorized to cause the purchase of either United States Treasury Obligations, State and Local Government Series or Government Obligations (as hereinafter defined) in the open market for investments of proceeds of the Bonds and other funds to be held under the Escrow Agreement in a manner consistent with this Ordinance. The Clerk-Treasurer shall obtain a verification of an independent accountant as to the sufficiency of the funds in the Trust Account under the Escrow Agreement to accomplish the refunding of the Outstanding Bonds.

With the advise of the Issuer's financial advisor, the Clerk-Treasurer is hereby authorized and directed to transfer cash and investments of the Utility on-hand as the date of the issuance of the Bonds, first to the Trust Account as and to the extent set forth in the Escrow Agreement to accomplish the refunding of the Outstanding Bonds and next to the respective funds and accounts of the Utility herein created.

Section 8. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds, shall be deposited in the Sinking Fund and credited to the Bond and Interest Account. Concurrently with the delivery of the Bonds, the Clerk-Treasurer shall acquire, with the proceeds of the Bonds and cash on hand, direct obligations of or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations") to be used, together with certain cash from the proceeds of the Bonds and cash on hand as set forth in the Escrow Agreement, to refund the Outstanding Bonds, all as set forth in the Escrow Agreement. In order to refund the Outstanding Bonds, the Clerk-Treasurer shall deposit Government Obligations and certain cash with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide moneys for payment of principal of and interest on the Outstanding Bonds until their final maturity.

Costs of Issuance of the Bonds not otherwise paid, shall be paid from the remaining proceeds by the Clerk-Treasurer. When all the costs of issuance of the Bonds have been paid, the Clerk-Treasurer shall then transfer any amount then remaining from the proceeds of the Bonds to the Sinking Fund and other Funds as herein provided.

Section 9. Revenues. There is hereby created and established a fund to be designated (with additional designations as deemed useful by the officer or official establishing such account) as the Sewage Utility Revenue Fund (the "Revenue Fund") and there shall be deposited into the Revenue Fund, upon receipt, all income and revenues of the Utility. The Revenue Fund shall be maintained separate and apart from all other bank accounts of the Issuer. Except as permitted hereunder, no moneys derived from the revenues of the Utility shall be transferred to the General Fund of the Issuer or be used for any purpose not connected with the Utility so long as any obligations payable from the Net Revenues of the Utility are outstanding.

Section 10. Operation and Maintenance Fund. There is hereby created and established a fund to be designated (with additional designations as deemed useful by the

officer or official establishing such account as the Sewage Utility Operation and Maintenance Fund (the "Operation and Maintenance Fund") and it shall be credited on the last day of each calendar month with a sufficient amount of revenues of the Utility so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. Moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Utility on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacement, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expense of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding obligations of the Utility.

Section 11. Sinking Fund. There is hereby created and established a Sinking Fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Utility, and the payment of any fiscal agency charges in connection with the payment of obligations and interest, which Fund shall be designated (with additional designations as deemed useful by the officer or official establishing such account) as the "Sewage Utility Sinking Fund" (the "Sinking Fund"). There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the Utility to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account hereinafter described, equals the amount needed to redeem all the then outstanding obligations of the Issuer.

(a) Bond and Interest Account. There shall be credited, on the last day of each calendar month, to the Bond and Interest Account an amount of Net Revenues equal to the sum of (i) one-sixth ($1/6$) of the interest on all then outstanding obligations payable from Net Revenues on the then next succeeding interest payment date (except with respect to the first interest payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such interest payment) and (ii) at least one-twelfth ($1/12$) of the principal (provided, if the Bonds are issued with scheduled principal payments due on January 1 and July 1 of each year, then in lieu of one-twelfth ($1/12$) of such principal payment, such transfer shall be at least one-sixth ($1/6$) of such principal payment) on all then outstanding obligations payable from Net Revenues of the Utility payable from Net Revenues on the then next succeeding principal payment date (except with respect to the first principal payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such principal payment), until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges for paying

principal and interest on the obligations payable from Net Revenues of the Utility, the same become payable. The Issuer shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner and to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. Following the issuance of the Bonds, there shall be credited to and become a part of the Debt Service Reserve Account not less than the required monthly deposit or such higher amount as fixed by the Issuer from the Net Revenues of the Utility on the last day of each calendar month until the balance therein equals, but does not exceed, the lesser of (i) the maximum annual debt service on the obligations payable from Net Revenues of the Utility, (ii) one hundred twenty-five percent (125%) of average annual debt service on the obligations payable from Net Revenues of the Utility or (iii) ten percent (10%) of the proceeds of the obligations payable from Net Revenues of the Utility ("Reserve Requirement"). The amount of the monthly deposits shall be equal in amount and sufficient in the aggregate to accumulate the Reserve Requirement within five (5) years from the date of delivery of the obligations payable from Net Revenues of the Utility. The balance within the Debt Service Reserve Account shall never exceed the Reserve Requirement.

The Debt Service Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on outstanding obligations payable from Net Revenues of the Utility, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on outstanding obligations payable from Net Revenues of the Utility to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Debt Service Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event the money in the Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding obligations payable from Net Revenues of the Utility, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Debt Service Reserve Account in excess of the Reserve Requirement shall be transferred to the Improvement Fund unless used for the prepayment of installments of principal on the then outstanding obligations payable from Net Revenues of the Utility which are then callable or prepayable, or for the purchase of outstanding obligations payable from Net Revenues of the Utility including accrued interest.

Section 12. Improvement Fund. In the event all required monthly payments into the Operation and Maintenance Fund and the Sinking Fund, including the Bond and Interest

Account and the Debt Service Reserve Account have been made to date and the Reserve Requirement has been accumulated in the Debt Service Reserve Account (or within five (5) years from the date of delivery of the Bonds, the required payments to date have been made to the Debt Service Reserve Account), then any excess Net Revenues may be transferred into the fund hereby created and established to be designated (with additional designations as deemed useful by the officer or official establishing such account) as the "Sewage Utility Improvement Fund" (the "Improvement Fund") and the Improvement Fund shall be used for depreciation, improvements, replacements, additions and extensions of the Utility. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the Utility.

Section 13. Priority of Payments. (a) The revenues of the Utility shall be applied towards the payment of, in order of priority, the following: *first*, the expenses of operation, repair and maintenance; *second*, on a *pari passu* (parity) basis, the principal of and interest on the Bonds and any additional bonds issued on a parity therewith; *third*, to meet the requirements of the reserve required for the obligations payable from the Net Revenue of the Utility; and *fourth*, expenses or costs that may be paid from the Improvement Fund. All moneys and investments in the Funds and Accounts established by this Ordinance, together with the revenues of the Utility, shall be applied by the Issuer in accordance with the terms of this Ordinance.

Section 14. Nature of Accounts and Investments. The Sinking Fund shall consist of at least one separate bank account of the Issuer. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single bank account, or accounts, but such bank account, or accounts, shall likewise be maintained separate and apart from all other bank accounts of the Issuer and apart from the Sinking Fund bank account or accounts. All moneys deposited in the bank accounts shall be deposited, held, secured and invested as public funds in accordance with the public depository laws and investment laws of the State of Indiana as now in effect (including particularly Indiana Code 5-13-9) or as hereafter supplemented and amended. All earnings on the investments held in the bank account shall be retained in the respective Fund and used for the purposes or transferred as therein provided.

The Clerk-Treasurer is hereby authorized pursuant to Indiana Code 5-1-14-3 to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order

to comply with the provisions of this Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Issuer as to requirements of federal law to preserve the tax exclusion. The Clerk-Treasurer may pay any fees as operation expenses of the Utility.

Section 15. Maintenance of Books and Records. The Issuer shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the Utility and all disbursements made on account of the Utility, and all transactions relating to the Utility. There shall be prepared and furnished to the original purchasers of the Bonds and, upon written request, to any subsequent owner of at least \$25,000 in principal amount of the Bonds, not more than one hundred twenty (120) days after the close of each fiscal year, complete operating income and expense statements of the Utility, covering the preceding fiscal year and the balances in the several funds and accounts created or continued by this Ordinance. The fiscal year of the Utility shall be from January 1 to December 31, both inclusive. Copies of all such statements and reports, together with all audits of the Utility made available to the Issuer by the Indiana State Board of Accounts or any successor body authorized by law to audit municipal accounts, shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of at least \$25,000 in principal amount of the Bonds then outstanding shall have the right at all reasonable times to inspect the Utility and all records, accounts, statements, audits, reports and data of the Issuer relating to the Utility. Such inspections may be made by representatives duly authorized by written instrument.

Section 16. Rate Covenant. The Issuer covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the Utility, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Utility by or through any part of the Issuer, or that in any way uses or is served by such Utility; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Issuer, and for the payment of the sums required to be paid into the Sinking Fund by the Act and this Ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such Utility by and services rendered to the Issuer and all departments thereof as the charges accrue.

Section 17. Defeasance of Bonds. If, when the Bonds issued hereunder or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding or any portion thereof shall be paid; or (i) sufficient moneys, or (ii) direct

obligations of, or obligations the principal of and interest on which are immediately guaranteed by, the United States of America (including obligations issued or held in book entry form in the records of the Department of Treasury), the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Issuer's Utility.

Section 18. Additional Obligations. The Issuer reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Utility, ranking on a parity with the Bonds authorized by this Ordinance ("Parity Bonds"), for the purpose of financing the cost of future additions, extensions and improvements to the Utility, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the Utility shall have been paid to date in accordance with the terms thereof and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date; and

(b) The Net Revenues of the Utility in the fiscal year immediately preceding the issuance of any such additional bonds (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on a parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds, the Utility rates and charges shall be increased sufficiently so that the increased rates and charges applied to the preceding fiscal year's operations (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced annual Net Revenues for the years equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the proposed additional parity bonds to the final maturity of the then outstanding bonds (for purposes of this subsection, the records of the Utility shall be analyzed and all showings shall be prepared by a certified public accountant employed by the Issuer for that purpose); and

(c) The principal of and interest on the Parity Bonds shall be payable on July 1 of each year, then such principal payments due on January 1 and July 1 of each year, then such principal payments on any additional parity bonds shall be payable on January 1 and July 1) and the interest on the additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years in which such principal and interest are payable.

A debt service reserve for the Parity Bonds commensurate with and proportional to the Debt Service Reserve Account created for the Bonds shall be created and maintained as of the date of delivery of the Parity Bonds. Such reserve may either be funded with bond proceeds, funds of the Utility over a period not to exceed five (5) years from the date of their issuance, or a combination thereof.

Section 19. Additional Covenants. For the purpose of further safeguarding the interests of the owners of the Bonds herein authorized, it is specifically provided as follows:

(a) The Issuer shall at all times maintain its Utility in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) The Issuer shall acquire and maintain insurance on the insurable parts of the Utility of a kind and in any amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as Net Revenues of the Utility. As an alternative to maintaining such insurance, the Issuer may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of applicable laws and is maintained in a manner consistent with programs maintained by similarly situated governmental entities.

(c) So long as any of the Bonds are outstanding, the Issuer shall not mortgage, pledge or otherwise encumber such Utility, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or obsolete or no longer suitable for use in the Utility.

(d) Except as otherwise permitted pursuant to this Ordinance, so long as any of the Bonds herein authorized are outstanding, no additional Bonds or other obligations pledging any portion of the revenues of the Utility shall be authorized, executed or issued by the Issuer except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 17 hereof as of or coincidentally with the delivery of such additional Bonds or other Bonds.

(e) The issuer shall take all action necessary to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The Issuer shall, insofar as possible, cause all such sanitary sewers to be connected with the Utility.

(f) The provisions of this Ordinance shall constitute a contract by and between the Issuer and the owners of the Bonds herein authorized, and after the issuance of the Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds, nor shall the Legislative Body adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds or the interest thereon remain unpaid. Excluding the changes set forth in Section 21 of this Ordinance requiring the consent of all Bondholders, this Ordinance may be amended without the consent of the owners of the Bonds or BANs if the Legislative Body determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of the fund as in this Ordinance set forth. The owners of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the Utility, in the event of default in the payment of the principal or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the Act.

Section 20. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of the issuance of the Bonds (the "Code") and as an inducement to purchasers of the Bonds, the Issuer represents, covenants and agrees that:

(a) No person or entity, other than the Issuer or another state or local governmental unit, will use proceeds of the Bonds or property financed by Bond proceeds other than as a member of the general public. No person or entity other than the Issuer or another state or local governmental unit will own property financed by Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No Bond proceeds will be loaned to any unit of state or local governmental unit. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred, directly or indirectly, to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(c) The Issuer will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

(d) It shall not be an event of default under this Ordinance if the interest on any Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Bonds.

(e) The Issuer intends to comply with the rebate requirement of Section 148(f) of the Code. The Issuer certifies that:

(1) the Issuer is a governmental unit with general taxing powers (or has the power to cause another entity to impose taxes of general applicability for the purposes of the Issuer);

(2) the Bonds are not private activity bonds as defined in Section 141 of the Code;

(3) at least 95 percent of the net proceeds of the Bonds will be used for local governmental activities of the Issuer or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer; and

(4) the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the Issuer and all units subordinate to the Issuer (that is, if the unit is directly or indirectly controlled by the other unit within the meaning of Treasury Regulation Section 1.150T-1(e)) is not reasonably expected to exceed \$5,000,000 in the calendar year 1998 or the aggregate face amount of all tax exempt obligations (other than private activity bonds) actually issued by the Issuer and all units subordinate to the Issuer does not exceed \$5,000,000 in the calendar year 1998.

Therefore the Issuer meets the requirements of Section 148(f)(4)(D) of the Code and Treasury Regulation Section 1.148-8, and will not have to rebate any arbitrage profits to the United States.

(f) The Issuer represents that:

(2) The Issuer hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(3) The reasonably anticipated amount of (A) qualified tax-exempt obligations which will be issued by the Issuer and all entities subordinate to the Issuer, including the Bonds, and (B) qualified obligations issued on behalf of 501(c)(3) organizations by the Issuer and all entities subordinate to the Issuer, will not in aggregate, during the calendar in which issued, exceed \$10,000,000.

(4) The Issuer has not designated more than \$10,000,000 of qualified tax-exempt obligations during the calendar year in which the Bonds are to be issued.

Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to tax-exempt obligations.

Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Issuer receives an opinion of nationally recognized bond counsel to the effect that any of the Tax Sections are unnecessary to preserve the Tax Exemption.

Section 21. Amendments with Bondholder Consent. Subject to the terms and provisions contained in this Section and as permitted elsewhere in this Ordinance (including Section 19 and Section 20 herein), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance or the extension of mandatory sinking fund redemption dates, if any; or

(b) A reduction in the principal amount of the Bonds issued pursuant to this Ordinance; or

(c) The creation of a lien upon or a pledge of the revenues of the Utility, ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or

(f) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-23%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Issuer. No owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer or its officers or officials from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Issuer and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respect to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Issuer and the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Issuer and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 22. Rates and Charges. The rates and charges for the several classes of users of the Utility are as set forth in the current schedule, which is available in the office of the Clerk-Treasurer.

Section 23. Disclosure. The President and Clerk-Treasurer, and either of them, are authorized to cause to be prepared the final form of the Preliminary Official Statement (or Offering Circular), if determined by them to be necessary, and to find and determine it to be final as of its date, except for the omission of the following information: the offering

amount per maturity, delivery dates, any other terms of the Bonds depending on such matters, and the identity of the underwriter(s). The form of the Preliminary Official Statement (or Offering Circular) as approved shall be maintained in the records of the Clerk-Treasurer. The Preliminary Official Statement (or Offering Circular) and the final Official Statement (or Offering Circular) are hereby authorized for distribution to prospective purchasers and other interested parties subject to the prior approval authorized herein.

The President and Clerk-Treasurer, and either of them, is authorized and directed to execute and deliver a final Official Statement (or Offering Circular), if determined by them to be necessary, in substantially the form of the Preliminary Official Statement (or Offering Circular), with such changes in form or substance as such official shall approve, such approval to be conclusively evidenced by the execution thereof.

If the use of a Preliminary Official Statement is determined to be necessary as provided above, the Issuer hereby covenants to deliver or cause to be delivered to the initial purchaser of the Bonds within seven (7) business days after any final agreement to purchase, offer or sell the Bonds copies of the final Official Statement if prepared as authorized herein, in sufficient quantity to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and the applicable rules of the Municipal Securities Rulemaking Board.

If the use of a Preliminary Official Statement is determined to be necessary as provided above and no exemption therefrom is otherwise applicable, the City further hereby covenants to enter into with a counterparty reasonably acceptable to the initial purchaser of the Bonds, a continuing disclosure agreement in substantially the form approved by the President and Clerk-Treasurer, and either of them, in connection with the approval of the Preliminary Official Statement, with such changes in form or substance as such officials shall approve, such approval to be conclusively evidenced by their execution thereof, for purposes of permitting the initial purchaser of the Bonds to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Section 24. Additional Authority. The President and the Clerk-Treasurer of the Issuer and either of them, is hereby authorized and directed to do and perform all acts and execute in the name of the Issuer all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Ordinance in such forms as the President or Clerk-Treasurer executing the same shall deem proper, to be conclusively evidenced by the execution thereof. Notwithstanding any other provision of this Ordinance to the contrary, as and to the extent that the office of the Clerk-Treasurer is vacant from time to time, during any such vacancy, the person designated as the acting Clerk-Treasurer (provided that if no person has been so designated, then any Deputy Clerk-Treasurer and provided further that if no person has been designated and is then serving as a Deputy Clerk-Treasurer, then any member of the Town Council including

the President except that attestation of the President's signature shall be by the Clerk-Treasurer (or any officer or member of the Board of Directors other than the President) shall carry out the actions herein specified to be performed by the Clerk-Treasurer.

Section 25. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 26. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

The foregoing was passed by the Legislative Body on this 5th day of February, 1998.

AYES

NAYES

Nile Mills
Ed Bailey
M. L. Miller
Frank Lap
Jim Deddo

Council Members

Council Members

Presented by me to the President this 5th day of February, 1998.

Carole Zoller Deputy Clk Treas.
Clerk-Treasurer

Approved and signed by me this 5th day of February, 1998.

Jim Deddo
President

STATE OF INDIANA

COUNTY OF FLOYD

SS:

I, the undersigned Clerk-Treasurer of the Town of Georgetown, Indiana, in Floyd County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance No. G-1998 -03, passed by the Issuer's Council on the 5th day of February, 1998, by a vote of 5 AYES and 0 NAYS, which was signed by the President on the 5th day of February, 1998 and now remains on file and on record in my office.

WITNESS my hand and the official seal of the Town of Georgetown, Indiana, this 5th day of February, 1998.

Barbara Zoller Deputy Clk Treas
Clerk-Treasurer

(SEAL)

PASSED FIRST READING:

YES 5-0

PASSED SECOND READING:

PASSED THIRD READING:

336922